MEETING NO. **4227**
JOURNAL OF PROCEEDINGS
BOARD OF TRUSTEES OF THE GENERAL RETIREMENT SYSTEM
OF THE CITY OF DETROIT
HELD **WEDNESDAY, FEBRUARY 06, 2019**

10:00 A.M.

RETIREMENT SYSTEMS CONFERENCE ROOM
ALLOY CENTER, 500 WOODWARD AVENUE; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

Wendell Anthony	Trustee
Scott Benson	Ex-Officio Trustee/City Council Member
Lori Cetlinski	Trustee/ Vice- Chairperson
Tasha L. Cowan	Trustee
Christa Mclellan	Ex-Officio Trustee/City Treasurer
John Naglick	Ex-Officio Trustee/Finance Director
June Nickleberry	Trustee/Chairperson
Crystal Perkins	Trustee
Thomas Sheehan	Trustee

TRUSTEES EXCUSED

Kimberly Hall-Wagner	Trustee

TRUSTEES ABSENT

None

ALSO PRESENT

David Cetlinski	Executive Director
Gail A. Oxendine	Assistant Executive Director
Ryan Bigelow	Chief Investment Officer
Michael VanOverbeke	General Counsel
TaKneisha Johnson	Administrative Assistant IV

STAFF EXCUSED

None

CHAIRPERSON

June Nickleberry

The Board's Administrative Assistant took a verbal Roll Call at 10:05 a.m. and Chairperson Nickleberry called the meeting to order.

Present at Roll Call: Lori Cetlinski, Tasha L. Cowan, Christa Mclellan, Crystal Perkins and Thomas Sheehan

Re: Legacy Plan Service Retirement(s)

Motion By: Trustee Cowan - Supported By: Trustee Sheehan

RESOLVED, that the application(s) for retirement from the **COMPONENT II** (**LEGACY) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Gary H. Self – Field Svcs Techn – Water & Sewerage
SERVICE CREDIT	05-08
EFFECTIVE DATE	12-28-18

Yeas: Cetlinski, Cowan, Mclellan, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

Re: Hybrid Plan Service Retirement(s)

Motion By: Trustee Cowan - Supported By: Trustee Sheehan

RESOLVED, that the application(s) for retirement from the **COMPONENT I (HYBRID) PLAN** as outlined below be hereby APPROVED:

NAME, TITLE, DEPARTMENT	Fred Chuney, Jr. – TEO - Transportation
SERVICE CREDIT	04-08
EFFECTIVE DATE	02-20-19
NAME, TITLE, DEPARTMENT	William C. Hodges – Laborer A – General Services
SERVICE CREDIT	04-06
EFFECTIVE DATE	01-10-19
NAME, TITLE, DEPARTMENT	Jacquelyn Houston – Street Maint Helper - DPW
SERVICE CREDIT	03-10
EFFECTIVE DATE	04-01-19
NAME, TITLE, DEPARTMENT	Vijay Mahendra – Chemist – Water & Sewerage
SERVICE CREDIT	01-06
EFFECTIVE DATE	01-01-19
NAME, TITLE, DEPARTMENT	Gary H. Self – Water Meter Mechanic – Water & Sewerage
SERVICE CREDIT	04-06
EFFECTIVE DATE	12-28-18
NAME, TITLE, DEPARTMENT	Garry V. Summers – Parking Meter Rep Wkr – Municipal Parking
SERVICE CREDIT	04-06
EFFECTIVE DATE	12-21-18

Yeas: Cetlinski, Cowan, Mclellan, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

RECEIPTS: The Board received the following receipts for Acknowledgment:

Cash Receipts
Company: RSCD-General

Cash Account: HYBLIQRES
Start Date: 1/15/2019
End Date: 2/4/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
1/18/2019	CA	Cash Entry	001419	Pretax mandatory pension contributions 1-18-19	R/C	264,487.60
1/18/2019	CA	Cash Entry	001420	Post tax annuity contributions 1-18-19	R/C	159,143.08
1/25/2019	AR	Payment	000039	Employer Match October 1 - December 31 2018 Water & Sewerage	R/C	315,211.56
1/25/2019	AR	Payment	000040	Reimbursement to RSCD - Annual Retiree Supplement from DPL	R/C	387,000.00
1/25/2019	CA	Cash Entry	001429	Post tax Annuity Contributions 1-25-19	R/C	75,187.12
1/25/2019	CA	Cash Entry	001430	Pre tax Mandatory Pension Contributions 1-25-19	R/C	107,692.84
1/28/2019	AR	Payment	000042	Employer Match October 1 - December 31 2018 General, DOT & Library	R/C	2,611,151.02
						3,919,873.22

Cash Receipts
Company: RSCD-General

Cash Account: LIQ RESERV
Start Date: 1/15/2019
End Date: 2/4/2019

Doc. Date	Module	Tran. Type	Doc. Nbr.	Description	R/C	Receipt
1/15/2019	CA	Cash Entry	001411	Loan Deduction Program 1-11-19($38,158.64)	R/C	38,158.64
1/25/2019	CA	Cash Entry	001433	Loan Deduction Program 1-18-19($34,360.41)	R/C	34,360.41
						72,519.05

Total Receipts	**3,992,392.27**

Re: Fees and Expenses

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cetlinski

WHEREAS, the Board has been presented with the List of Disbursements for Board Approval which is referenced below requesting payment for Fees and Expenses, and

WHEREAS, the Board has been requested to approve payment of said Fees and Expenses; **THEREFORE BE IT**

RESOLVED, that subject to staff audit and approval of all Legal Fees by the Board's General Counsel, the Board **APPROVE** payment of the following Fees and Expenses:

Page 1 of 1
Date 2/4/2019 8:11 AM

Disbursements

Account	Payment Method	Currency
HUNT VEND	ACH	US

Vendor Name	Invoice Number	Invoice Description		Amount To Pay
500 WEBWARD LLC	72816	February 2019 Rent		24,998.49
8x8 INC.	2296702	Phone System Services		1,362.05
CRESTWOOD ASSOCIATES L.L.C.	INV042117	Acumatica Training & Implementation		75.00
	Cash Account/Payment Method Total:		**3 Documents**	**26,435.54**

HUNT VEND	CHECK	US

Vendor Name	Invoice Number	Invoice Description		Amount To Pay
BLOOMBERG FINANCE LP	5604783951	Bloomberg Anywhere 1/21/18-4/20/19		5,625.00
COMCAST	011719	High Speed Internet (Acct #8529 10 205 0807923)		180.02
First CHOICE Coffee Services	598068	Coffee Supplies		20.98
First CHOICE Coffee Services	598227	Equipment Rental		30.00
SCANTRON CORPORATION	14422949	Toner Cartridge Supply		2,375.20
THOMAS SHEEHAN	012319TS	Trustee Parking		99.00
	Cash Account/Payment Method Total:		**6 Documents**	**8,330.20**

* Payment amount is estimated based on the effective date 2/4/2019

Yeas: Cetlinski, Cowan, Mclellan, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

Re: Refunds of Accumulated Contributions

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cetlinski

RESOLVED, that the contributions to the Annuity Savings Fund by members of the General Retirement System, as set forth:

List No. 7398 - $232,820.55
List No. 7399 - $165,383.65

Including interest, be **REFUNDED,** pending audit by the Retirement Systems' Accounting Staff.

Yeas: Cetlinski, Cowan, Mclellan, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

Re: Employee Loan Program January 30, 2019

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cetlinski

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **$22,079.00** including interest, be hereby **APPROVED.**

Yeas: Cetlinski, Cowan, Mclellan, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

Re: Employee Loan Program February 06, 2019

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cetlinski

RESOLVED, that the disbursements for the Employee Loan Program by members of the General Retirement System, as set forth in the amount of: **$15,355.00** including interest, be hereby **APPROVED.**

Yeas: Cetlinski, Cowan, Mclellan, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

Resolution Moved By: Trustee Sheehan- Supported By: Trustee Cetlinski

RESOLVED, that the Minutes/Journal of Proceedings of the General Retirement System of the City of Detroit, of Meeting **No. 4225**, held on **January 09, 2019**, be hereby **APPROVED** as recorded and submitted.

Yeas: Cetlinski, Cowan, Mclellan, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

ASSISTANT EXECUTIVE DIRECTOR'S REPORT

Assistant Executive Director, **Gail A. Oxendine,** addressed the following with the Board of Trustees:

- Newsletter
  - The January newsletter was published last week to active employees via the Groupwise e-mail system. Retirees will receive a separate mailing later this week. The next newsletter will be published in April 2019.
- Website Launch
  - Training on the maintenance of the new website will be held for staff on February 14, 2019. The website will launch the week of February 18, 2019.
- Department/Division Presentations
  - A presentation was held on Wednesday January 16, 2019 at the Huber Facility for GSD employees. Approximately 30 employees attended. The presentation was well received. Additional presentations have been requested from the following departments/divisions:
  - DWSD- Meter Operations
  - Bridging Neighborhoods- Mayor's Office (February 21, 2019)
  - OCFO- Accounting and Risk Management (February 22, 2019)
  - Planning and Development
  - Two other areas that have not yet identified their requests
- Trustee Elections
  - Trustee Election calendars for active and retiree trustee have been provided for your review and approval.
- VEBA Info Sheet
  - The VEBA Information Sheet is currently under development and will be published in early March and available for interviewers to distribute to active members preparing for retirement.
- ASF Recoupment Letters
  - The ASF Recoupment Letters informing members that the Board is considering all recoupment options, and recoupments are on hold, was mailed to those members this week.

Re: Approval of Retiree and Active Election Schedules

Motion moved By: Trustee Cowan - Supported By: Trustee Perkins, motion to approve the Retiree and Active Trustee election schedules as presented. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski,** addressed the following with the Board of Trustees:

- Annuity Interest Rate Approval
- 1099's have been mailed to Retirees
    - The Board of Trustees engaged in discussion regarding the 1099's.

RE: Establishment of an Interest Rate for the Voluntary Employee Contribution Accounts and the Annuity Savings Fund

Motion By: Trustee Sheehan Supported By: Trustee Cetlinski

WHEREAS, The Board of Trustees of the General Retirement System of the City of Detroit is vested with the authority and fiduciary responsibility for the administration, management, and operation of the Retirement System, and

WHEREAS, The provisions of the plan are subject to the applicable provisions of the Internal Revenue Code, applicable state law, the applicable charter and ordinance provisions of the City of Detroit, the Combined Plan for the General Retirement System, and applicable collective bargaining agreements, and

WHEREAS, Sections 10.3 and E-17 of the Combined Plan as amended and restated effective July 1, 2014, state that the Board shall credit each Member's Voluntary Employee Contribution Account (Component I) and their Annuity Savings Fund Account (Component II) with earnings at the annual rate of return, net of expenses, on the Retirement System's assets, and

WHEREAS, Section 10.3 and E-17 shall further provide that the annual rate of return credited to the accounts of members shall be equal to the actual net investment rate of return on the assets of the Retirement System for the Second Plan Year immediately preceding the Plan Year in which earnings are credited; in no event, however, shall the earnings rate credited to a Member's account for any Plan Year be less than zero percent (0%) nor greater than five and one-quarter percent (5.25%), and

RE: Establishment of an Interest Rate for the Voluntary Employee Contribution Accounts and the Annuity Savings Fund

WHEREAS, the net investment rate of return of the Retirement System for the fiscal Year ending June 30, 2018 was greater than 5.25%; **Therefore be it**

RESOLVED, that the Board authorizes the crediting of interest at **5.25**% to the Voluntary Employee Contribution Accounts and the Annuity Savings Fund accounts for the fiscal year commencing July 1, 2019 (ending June 30, 2020), and further

RESOLVED, that a copy of this resolution be maintained in the Retirement System records, and also that a copy be provided to the Board's Actuary (Gabriel, Roeder, Smith and Co), the Retirement System's Auditor, the Accounting Division of the Retirement System and the GRS Investment Committee.

Yeas: Cetlinski, Cowan, Mclellan, Perkins, Sheehan and Chairperson Nickleberry– 6

Nays: None

- ***Trustee Scott Benson entered the Boardroom at 10:11 a.m.***
- ***Trustee John Naglick entered the Boardroom at 10:15 a.m.***

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer **Ryan Bigelow** discussed the following matters with the Board:

- General City Investment Committee will meet on February 11, 2019
- ARA/Trumbull Properties update
- Gateway update
- Mr. Bigelow will update the Board in two weeks on the General Investment Committee meeting with respect to any recommendations as well as request/recommendation for the Life Assurance Fund.
    - The Board engaged in discussion regarding the Life Assurance Fund
    - The Board also engaged in further discussion regarding short term projections regarding the Retired Projection Fund

GENERAL COUNSEL'S REPORT

General Counsel Michael VanOverbeke, in addition to his legal report, discussed the following matters with the Board:

- ***Trustee Wendell Anthony entered the Boardroom at 10:39 a.m.***

- ASF Recoupment Issue; Gabriel Roeder will be in attendance to discuss at today's meeting.
- Valerie Hillyer update
- Correction of Errors- Overpayments/Underpayments Policy
- Retention of Abramson Law Offices, PLLC
- (DROS)/Eligible Domestic Relations Orders (EDROS) for review and approval:
    - Kim C. Sharpe v. Reginald Sharpe
- Reporting requirement obligations

Re: Retention of Abramson Law Offices, PLLC

Motion moved By: Trustee Anthony - Supported By: Trustee Sheehan, motion to approve the retention agreement of the Abramson Law Office, PLLC consistent with the terms that legal counsel has proposed as well as the fee agreement attached therein. The motion passed unanimously.

Re: Kim C. Sharpe v. Reginald W. Sharpe
Wayne County Circuit Court Case No. 17-112573-DO

Resolution Moved By: Trustee Mclellan - Supported By: Trustee Sheehan

WHEREAS, the Board of Trustees is in receipt of an Eligible Domestic Relations Order ("EDRO"), dated February 1, 2019, wherein Kim C. Sharpe, the Alternate Payee, is awarded certain rights to the retirement allowance of Reginald W. Sharpe, the Participant, and

WHEREAS, the Retirement System consists of both a defined benefit plan and a defined contribution (a/k/a the Annuity Savings Fund) plan, and

WHEREAS, pursuant to the EDRO, the Alternate Payee is entitled to a portion of both the Participant's defined benefit plan and defined contribution plan benefits payable from the Retirement System, and

WHEREAS, the payments from the plan to the Alternate Payee shall begin when the Participant commences benefits from the Retirement System, and

WHEREAS, the Board's policy is to require that the cost for the actuary's calculations are to be borne by the parties to the domestic relations proceedings and the parties' EDRO provides that the parties are to equally share responsibility for any and all additional costs for actuarial services, and

WHEREAS, said matter had been discussed with legal counsel who has opined that the applicable terms of said court order are consistent with the provisions of the Retirement System and applicable law including Public Act 46 of 1991 (MCLA 38.1701) as amended, therefore be it

RESOLVED, that the Board acknowledges receipt of said court order, will pay pension benefits consistent with said order upon application by the Participant, and further

RESOLVED, that a copy of this resolution be immediately attached as the top sheet of the pension file and other appropriate records be kept for the Retirement System relative to this matter, and further

RESOLVED, that copies of this resolution be sent to Reginald W. Sharpe, the Participant; Kim C. Sharpe, the Alternate Payee; and the Board's Actuary.

Yeas: Anthony, Benson, Cetlinski, Cowan, Mclellan, Naglick, Perkins, Sheehan
and Chairperson Nickleberry– 9

Nays: None

PRESENTATION:

Gabriel, Roeder, Smith and Company

Representatives Kenneth G. Alberts and Jamaal Adora discussed the following with the Board:

- Annuity Savings Fund Recoupment Discussion

- ***Trustee Christa Mclellan excused herself from the Boardroom at 11:56 a.m.***
- ***Trustee Crystal Perkins excused herself from the Boardroom at 11:57 a.m.***

NEW BUSINESS/OLD BUSINESS

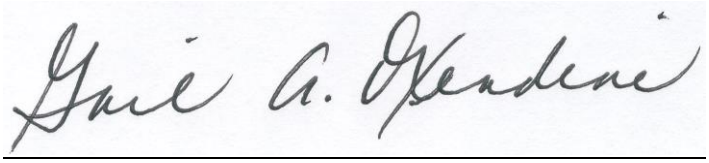
- MAPERS One day conference is scheduled for March 1, 2019 at the Sheraton in Novi
- Deputy CAO Position update
  - RSCD employee Brie Fort will serve as the system's Deputy CAO
- Proposed Investment Committee member Howard Morris's information has been forwarded to Trustees for review

ADJOURNMENT

Trustee Sheehan moved to adjourn meeting #4227; Trustee Cetlinski supported.

There being no further business before the Board, **Chairperson Nickleberry** adjourned the meeting at 12:10 p.m. The Board's next meeting is scheduled for **Wednesday, February 20th, 2019,** at 10:00 a.m. in the Retirement System's Conference Room; 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



GAIL A. OXENDINE, ASSISTANT EXECUTIVE DIRECTOR